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SUBJECT: BHARAT BALLOT 2009: UPA DISCORD AND ANTI-INCUMBENCY FAVOR  
BJP IN JHARKHAND

REF: A. A) KOLKATA 19

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**11.** (SBU) Summary: Since the mineral-rich tribal state of Jharkhand was carved out of the eastern Indian state of Bihar in 2000, it has been plagued by a string of poorly performing governments and political instability. Discord within the United Progressive Alliance (UPA) and underlying anti-incumbency sentiments are promising signals in the parliamentary elections for the dominant national party in the state's legislative assembly, the Bharatiya Janata Party (BJP). The state Congress Party has all-but-publicly-announced its break with the waning Jharkhand Mukti Morcha (JMM). With political parties weak and party discipline lacking, votes are likely to be scattered in a multi-cornered contest. While Maoists are alleged to have a presence of differing degree throughout the state, security was not cited as a primary election issue to PolOFF in his tour through Jamshedpur and the state capital of Ranchi from April 6 - 9, where he met with a cross-section of politicians, business leaders, mining representatives, journalists and NGO representatives. Voting in Jharkhand's 14 parliamentary constituencies took/takes place on April 16 and 23 and results of these, along with India's 529 other constituencies, will be announced on May 16. End Summary.

A Mineral Rich State with Industrialization Prospects

**12.** (U) In 2000, Jharkhand was carved out of the eastern Indian state of Bihar, thereby becoming India's 28th state and satisfying a tribal aspiration for statehood. The bifurcation of Bihar created one of India's richest mineral states, with almost 40 percent of the country's mineral resources, including sizable coal, copper, bauxite, uranium and mica deposits. Jharkhand is a densely forested state - in fact in the local language Jharkhand roughly translates to "Forested Area". While more than 80 percent of the state is involved with agriculture, the sector contributes only 13 percent of the state's domestic product. Mining and heavy industry are significant contributors to the state's domestic product and the state's share of mining royalties is a perennial topic amongst Jharkhand's political classes. Jamshedpur is the state's premier industrial town, often heralded as the original core of India's industrialization, with India's oldest steel plant, Tata Steel, and a large vehicle manufacturing facility, Tata Motors, with its associated suppliers, including the U.S. companies Timken and Cummins. Several domestic steel producers are considering new production facilities in the area surrounding Ranchi.

## Tribal Demographics

¶ 13. (SBU) Tribals (also known as Adivasis) represent approximately 28 percent of the state's total population of 27 million and are divided into more than 22 tribal groups. Non-tribal upper castes, with historic residency in the region, are known as Sadans and together they, and the backward caste Mahatos, constitute approximately 32 percent of the population. The state is predominantly Hindu (69 percent); however, with a significant Muslim (14 percent) and small, but influential, Christian population (4 percent). The remainder practices a variety of other religions or follows tribal beliefs.

## Parties and Personalities

¶ 14. (SBU) The JMM is a Jharkhand-based regional party with four parliamentarians from Jharkhand and one parliamentarian in Orissa, born out of Shibu Soren's successful quest for statehood with strong tribal support. Shibu Soren, a tribal leader and long-term member of parliament, who has a less than stellar reputation (he was acquitted of murder on technical grounds), was the first chairman of the Jharkhand Area Autonomous Council created in 1995, the legislative predecessor to the state assembly. Shibu was Jharkhand's last Chief Minister until his defeat in the Tamar legislative assembly by-election precipitated the January 2009 imposition of President's Rule (see Reftel A). Shibu's deteriorating health has impacted his ability to unify the party and campaign on its behalf throughout the state - and there is no apparent successor. The party is widely rumored to blame its UPA ally Congress for Shibu Soren's defeat in the Tamar by-election - a position that Jharkhand state Congress President Pradip Balmuchu did not refute in a lengthy private interaction with POLOFF. Shibu Soren's inability, or unwillingness, to stop his son Durga Soren from contesting against a Congress candidate is widely viewed as JMM's revenge for Congress' alleged lack of support in the by-election and the final nail in the coffin of the Congress-JMM

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relationship and potentially heralding JMM's electoral demise.

¶ 15. (SBU) In Jharkhand, the national parties, Congress (currently six parliamentarians) and the BJP (no parliamentarians), have statewide presence and benefit from access to national party assets and political heavyweights for the campaign. Traditionally, backward castes and religious minorities have tended to support Congress in the state, whereas upper castes and a section of tribals have supported the BJP. While Congress has entered into a pre-poll alliance with JMM to contest parliamentary seats (Congress - seven, JMM - five and a friendly fight in two), according to Balmuchu the alliance is "an unhappy one" and "cooperation between the allies [is] far from complete." On the other hand, BJP enjoys apparent harmonious relations with its National Democratic Alliance partner Janata Dal United (JD-U) and have entered into a seat sharing agreement that reflects BJP's greater strength (BJP - twelve, JD-U - two) and larger overall vote share (30 percent in the 2004 parliamentary election). The BJP has projected the young tribal former Chief Minister Arjun Munda as the party's face in the state. While BJP won one parliamentary seat in 2004, its sole victor Babulal Marandi left the BJP in 2006 after the party replaced him with Munda as Chief Minister and sidelined him in the state unit. He then formed his own party, the Jharkhand Vikas Morcha (JVM), which is reaching out to Jharkhand's tribal population. Known to be opposed to both BJP and Congress, Marandi is likely to support the Third Front in the future. The JVM is contesting all 14 parliamentary seats, and as a strong tribal leader, Marandi's charisma may further undermine the JMM's prospects. While exit polls from the first round are currently unavailable; Balmuchu indicated in a follow-up conversation that in the six constituencies that went for polling in the first round on April 16, Congress has an advantage in one, BJP in two, JVM in one, with no clear leader in the other two.

¶ 16. (SBU) Bihar-based political parties are also active in the

state, most notably in the districts bordering Bihar. Lalu Prasad Yadav's Rashtriya Janata Dal (RJD) has two sitting parliamentarians from Jharkhand, and is fielding candidates in six constituencies. RJD's ally, Ram Vilas Paswan's Lok Janata Party (LJP) does not currently have any sitting parliamentarians from Jharkhand; however, it is contesting three seats (see Reftel B for more on Bihar-based regional parties). Having parted with the UPA, these two parties are unlikely to make major gains in vote share if not in the number of seats won, particularly since Bihar's caste equations are not as strong a factor in tribal Jharkhand.

#### Political Instability and Anti-Incumbency

¶ 17. (SBU) Political instability within the UPA coalition at the state level is an important issue in the national election in Jharkhand. While the UPA wishes to downplay the domestic Congress-JMM spat, the NDA's BJP and JD-U have highlighted the effects of weak governance on development in the state. However, political commentators are quick to remark that both UPA and NDA state governments in Jharkhand have over-promised and under-delivered and failed to convert numerous Memorandums of Understanding into actual business projects on the ground. The slow speed of industrialization is not a uniform concern. The JMM state secretary and a NGO representative aired tribal concern about displacement and re-settlement associated with mining and industrialization. Journalists told PolOFF that the electorate's frustrations with governance and development feed a perceptible anti-incumbency feeling in Jharkhand. According to security analysts and police contacts, Maoists are alleged to have a presence of differing degree in 22 of the 24 districts in the state. Despite this presence, and occasional Maoist attacks (two of which occurred in Jharkhand in the run up to the elections), interlocutors did not cite security as a primary election issue during PolOFF's visit to the state. Several, however, did imply that politicians make deals with Maoists to intimidate voters who support rival candidates.

#### Comment

¶ 18. (SBU) With political instability prevalent, and short-lived state governments interspersed with periods of centrally imposed President's Rule common, the short political life of Jharkhand as an independent state has been a disaster. Jharkhand is one of the few states yet to introduce a local governance panchayat system. To be fair, the panchayat system has been held up due to reasons beyond its control - a case is pending in the Supreme

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Court - but lack of political will and vision to move forward also contribute to its delay. In Jharkhand, governance appears to be a question in this election of bad, more bad, worse. Weak governance and political instability contribute to overall lack of development, thereby facilitating the Maoist presence in this mineral-rich state. The BJP may be able to ride UPA discord and an anti-incumbency wave to a position of strength in the state. However, the sheer number of candidates and political parties contesting, for instance in one constituency there are 31 candidates including 17 Independents, will tend to split the vote. All parties are waiting for the parliamentary results before they decide whether and how to form a state government in Jharkhand or face early state elections (now scheduled for 2010) and re-emerge, once again, from what is in Jharkhand an all-to-common stay in political rehab, otherwise known as President's Rule.

PAYNE